

State of Arizona  
Senate  
Forty-eighth Legislature  
Second Regular Session  
2008

# SENATE BILL 1281

AN ACT

AMENDING TITLE 15, CHAPTER 4, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-447.01; AMENDING SECTIONS 15-901 AND 15-2002, ARIZONA REVISED STATUTES; RELATING TO SCHOOL FINANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 15, chapter 4, article 3, Arizona Revised Statutes,  
3 is amended by adding section 15-447.01, to read:

4 15-447.01. Common school districts; offer on instruction in  
5 grade nine

6 A. NOTWITHSTANDING ANY OTHER LAW, A COMMON SCHOOL DISTRICT THAT OFFERS  
7 INSTRUCTION IN GRADE NINE PURSUANT TO SECTION 15-901, SUBSECTION A, PARAGRAPH  
8 4, SUBDIVISION (b) MAY:

9 1. CONDUCT AN ELECTION TO EXCEED THE REVENUE CONTROL LIMIT AS PROVIDED  
10 IN SECTIONS 15-481 AND 15-482 AND USE THE WEIGHTED STUDENT COUNT OF PUPILS IN  
11 GRADE NINE AS PART OF THE CALCULATION FOR THE INCREASE IN THE REVENUE CONTROL  
12 LIMIT.

13 2. USE THE WEIGHTED STUDENT COUNT OF PUPILS IN GRADE NINE TO DETERMINE  
14 EQUALIZATION ASSISTANCE FOR CAREER LADDER AND OPTIONAL PERFORMANCE INCENTIVE  
15 PROGRAMS PURSUANT TO SECTIONS 15-918.05 AND 15-919.05, AS APPLICABLE, IF THE  
16 COMMON SCHOOL DISTRICT CURRENTLY PARTICIPATES IN THE CAREER LADDER PROGRAM OR  
17 THE OPTIONAL PERFORMANCE INCENTIVE PROGRAM, OR BOTH.

18 3. USE THE COUNT OF PUPILS IN GRADE NINE TO DETERMINE EQUALIZATION  
19 ASSISTANCE PURSUANT TO SECTION 15-971.

20 B. NOTWITHSTANDING ANY OTHER LAW, A COMMON SCHOOL DISTRICT THAT OFFERS  
21 INSTRUCTION IN GRADE NINE PURSUANT TO SECTION 15-901, SUBSECTION A, PARAGRAPH  
22 4, SUBDIVISION (b) SHALL NOT:

23 1. INCREASE THE REVENUE CONTROL LIMIT AND DISTRICT SUPPORT LEVEL FOR  
24 THE SCHOOL DISTRICT FOR THE CURRENT YEAR DUE TO GROWTH IN THE GRADE NINE  
25 PUPIL POPULATION PURSUANT TO SECTION 15-948.

26 2. ADJUST THE PUPIL COUNT PURSUANT TO SECTION 15-942 DUE TO A DECLINE  
27 IN GRADE NINE PUPIL ENROLLMENT.

28 C. NOTWITHSTANDING ANY OTHER LAW, IF A UNION HIGH SCHOOL DISTRICT OR  
29 UNIFIED SCHOOL DISTRICT REALIZES A DECREASE IN THE STUDENT POPULATION IN  
30 GRADE NINE DUE TO PUPILS TRANSFERRING TO A COMMON SCHOOL DISTRICT THAT OFFERS  
31 INSTRUCTION IN GRADE NINE PURSUANT TO SECTION 15-901, SUBSECTION A, PARAGRAPH  
32 4, SUBDIVISION (b), THE DISTRICT SHALL NOT ADJUST THE PUPIL COUNT PURSUANT TO  
33 SECTION 15-942.

34 Sec. 2. Section 15-901, Arizona Revised Statutes, is amended to read:

35 15-901. Definitions

36 A. In this title, unless the context otherwise requires:

37 1. "Average daily attendance" or "ADA" means actual average daily  
38 attendance through the first one hundred days or two hundred days in session,  
39 as applicable.

40 2. "Average daily membership" means the total enrollment of fractional  
41 students and full-time students, minus withdrawals, of each school day  
42 through the first one hundred days or two hundred days in session, as  
43 applicable, for the current year. Withdrawals include students formally  
44 withdrawn from schools and students absent for ten consecutive school days,  
45 except for excused absences as identified by the department of education.

1 For computation purposes, the effective date of withdrawal shall be  
2 retroactive to the last day of actual attendance of the student.

3 (a) "Fractional student" means:

4 (i) For common schools, until fiscal year 2001-2002, a preschool child  
5 who is enrolled in a program for preschool children with disabilities of at  
6 least three hundred sixty minutes each week or a kindergarten student at  
7 least five years of age prior to January 1 of the school year and enrolled in  
8 a school kindergarten program that meets at least three hundred forty-six  
9 instructional hours during the minimum number of days required in a school  
10 year as provided in section 15-341. In fiscal year 2001-2002, the  
11 kindergarten program shall meet at least three hundred forty-eight hours. In  
12 fiscal year 2002-2003, the kindergarten program shall meet at least three  
13 hundred fifty hours. In fiscal year 2003-2004, the kindergarten program  
14 shall meet at least three hundred fifty-two hours. In fiscal year 2004-2005,  
15 the kindergarten program shall meet at least three hundred fifty-four hours.  
16 In fiscal year 2005-2006 and each fiscal year thereafter, the kindergarten  
17 program shall meet at least three hundred fifty-six hours. Lunch periods and  
18 recess periods may not be included as part of the instructional hours unless  
19 the child's individualized education program requires instruction during  
20 those periods and the specific reasons for such instruction are fully  
21 documented. In computing the average daily membership, preschool children  
22 with disabilities and kindergarten students shall be counted as one-half of a  
23 full-time student. For common schools, a part-time student is a student  
24 enrolled for less than the total time for a full-time student as defined in  
25 this section. A part-time common school student shall be counted as  
26 one-fourth, one-half or three-fourths of a full-time student if the student  
27 is enrolled in an instructional program that is at least one-fourth, one-half  
28 or three-fourths of the time a full-time student is enrolled as defined in  
29 subdivision (b) of this paragraph.

30 (ii) For high schools, a part-time student who is enrolled in less  
31 than four subjects that count toward graduation as defined by the state board  
32 of education in a recognized high school and who is taught in less than  
33 twenty instructional hours per week prorated for any week with fewer than  
34 five school days. A part-time high school student shall be counted as  
35 one-fourth, one-half or three-fourths of a full-time student if the student  
36 is enrolled in an instructional program that is at least one-fourth, one-half  
37 or three-fourths of a full-time instructional program as defined in  
38 subdivision (c) of this paragraph.

39 (b) "Full-time student" means:

40 (i) For common schools, a student who is at least six years of age  
41 prior to January 1 of a school year, who has not graduated from the highest  
42 grade taught in the school district and who is regularly enrolled in a course  
43 of study required by the state board of education. Until fiscal year  
44 2001-2002, first, second and third grade students, ungraded students at least  
45 six, but under nine, years of age by September 1 or ungraded group B children

1 with disabilities who are at least five, but under six, years of age by  
2 September 1 must be enrolled in an instructional program that meets for a  
3 total of at least six hundred ninety-two hours during the minimum number of  
4 days required in a school year as provided in section 15-341. In fiscal year  
5 2001-2002, the program shall meet at least six hundred ninety-six hours. In  
6 fiscal year 2002-2003, the program shall meet at least seven hundred hours.  
7 In fiscal year 2003-2004, the program shall meet at least seven hundred four  
8 hours. In fiscal year 2004-2005, the program shall meet at least seven  
9 hundred eight hours. In fiscal year 2005-2006 and in each fiscal year  
10 thereafter, the program shall meet at least seven hundred twelve hours.  
11 Until fiscal year 2001-2002, fourth, fifth and sixth grade students or  
12 ungraded students at least nine, but under twelve, years of age by September  
13 1 must be enrolled in an instructional program that meets for a total of at  
14 least eight hundred sixty-five hours during the minimum number of school days  
15 required in a school year as provided in section 15-341. In fiscal year  
16 2001-2002, the program shall meet at least eight hundred seventy hours. In  
17 fiscal year 2002-2003, the program shall meet at least eight hundred  
18 seventy-five hours. In fiscal year 2003-2004, the program shall meet at least  
19 eight hundred eighty hours. In fiscal year 2004-2005, the program shall meet  
20 at least eight hundred eighty-five hours. In fiscal year 2005-2006 and each  
21 fiscal year thereafter, the program shall meet at least eight hundred ninety  
22 hours. Until fiscal year 2001-2002, seventh and eighth grade students or  
23 ungraded students at least twelve, but under fourteen, years of age by  
24 September 1 must be enrolled in an instructional program that meets for a  
25 total of at least one thousand thirty-eight hours during the minimum number  
26 of days required in a school year as provided in section 15-341. In fiscal  
27 year 2001-2002, the program shall meet at least one thousand forty-four  
28 hours. In fiscal year 2002-2003, the program shall meet at least one  
29 thousand fifty hours. In fiscal year 2003-2004, the program shall meet at  
30 least one thousand fifty-six hours. In fiscal year 2004-2005, the program  
31 shall meet at least one thousand sixty-two hours. In fiscal year 2005-2006  
32 and each fiscal year thereafter, the program shall meet at least one thousand  
33 sixty-eight hours. Lunch periods and recess periods may not be included as  
34 part of the instructional hours unless the student is a child with a  
35 disability and the child's individualized education program requires  
36 instruction during those periods and the specific reasons for such  
37 instruction are fully documented.

38 (ii) For high schools, except as provided in section 15-105, a student  
39 not graduated from the highest grade taught in the school district, or an  
40 ungraded student at least fourteen years of age by September 1, and enrolled  
41 in at least a full-time instructional program of subjects that count toward  
42 graduation as defined by the state board of education in a recognized high  
43 school. A full-time student shall not be counted more than once for  
44 computation of average daily membership.

1 (iii) For homebound or hospitalized, a student receiving at least four  
2 hours of instruction per week.

3 (c) "Full-time instructional program" means:

4 (i) Through fiscal year 2000-2001, at least four subjects, each of  
5 which, if taught each school day for the minimum number of days required in a  
6 school year, would meet a minimum of one hundred twenty hours a year, or the  
7 equivalent, or one or more subjects taught in amounts of time totaling at  
8 least twenty hours per week prorated for any week with fewer than five school  
9 days.

10 (ii) For fiscal year 2001-2002, an instructional program that meets at  
11 least a total of seven hundred four hours during the minimum number of days  
12 required and includes at least four subjects each of which, if taught each  
13 school day for the minimum number of days required in a school year, would  
14 meet a minimum of one hundred twenty-two hours a year, or the equivalent, or  
15 one or more subjects taught in amounts of time totaling at least twenty hours  
16 per week prorated for any week with fewer than five school days.

17 (iii) For fiscal year 2002-2003, an instructional program that meets  
18 at least a total of seven hundred eight hours during the minimum number of  
19 days required and includes at least four subjects each of which, if taught  
20 each school day for the minimum number of days required in a school year,  
21 would meet a minimum of one hundred twenty-two hours a year, or the  
22 equivalent, or one or more subjects taught in amounts of time totaling at  
23 least twenty hours per week prorated for any week with fewer than five school  
24 days.

25 (iv) For fiscal year 2003-2004, an instructional program that meets at  
26 least a total of seven hundred twelve hours during the minimum number of days  
27 required and includes at least four subjects each of which, if taught each  
28 school day for the minimum number of days required in a school year, would  
29 meet a minimum of one hundred twenty-three hours a year, or the equivalent,  
30 or one or more subjects taught in amounts of time totaling at least twenty  
31 hours per week prorated for any week with fewer than five school days.

32 (v) For fiscal year 2004-2005, an instructional program that meets at  
33 least a total of seven hundred sixteen hours during the minimum number of  
34 days required and includes at least four subjects each of which, if taught  
35 each school day for the minimum number of days required in a school year,  
36 would meet a minimum of one hundred twenty-three hours a year, or the  
37 equivalent, or one or more subjects taught in amounts of time totaling at  
38 least twenty hours per week prorated for any week with fewer than five school  
39 days.

40 (vi) For fiscal year 2005-2006 and each fiscal year thereafter, an  
41 instructional program that meets at least a total of seven hundred twenty  
42 hours during the minimum number of days required and includes at least four  
43 subjects each of which, if taught each school day for the minimum number of  
44 days required in a school year, would meet a minimum of one hundred  
45 twenty-three hours a year, or the equivalent, or one or more subjects taught

1 in amounts of time totaling at least twenty hours per week prorated for any  
2 week with fewer than five school days.

3 3. "Budget year" means the fiscal year for which the school district  
4 is budgeting and which immediately follows the current year.

5 4. "Common school district" means a political subdivision of this  
6 state offering instruction to students in programs for preschool children  
7 with disabilities and kindergarten programs and EITHER:

8 (a) Grades one through eight.

9 (b) AFTER AN AFFIRMATIVE VOTE OF A COMMON SCHOOL DISTRICT GOVERNING  
10 BOARD, GRADES ONE THROUGH NINE.

11 5. "Current year" means the fiscal year in which a school district is  
12 operating.

13 6. "Daily attendance" means:

14 (a) For common schools, days in which a pupil:

15 (i) Of a kindergarten program or ungraded, but not group B children  
16 with disabilities, and at least five, but under six, years of age by  
17 September 1 attends at least three-quarters of the instructional time  
18 scheduled for the day. If the total instruction time scheduled for the year  
19 is at least three hundred forty-six hours but is less than six hundred  
20 ninety-two hours such attendance shall be counted as one-half day of  
21 attendance. If the instructional time scheduled for the year is at least six  
22 hundred ninety-two hours, "daily attendance" means days in which a pupil  
23 attends at least one-half of the instructional time scheduled for the  
24 day. Such attendance shall be counted as one-half day of attendance.

25 (ii) Of the first, second or third grades, ungraded and at least six,  
26 but under nine, years of age by September 1 or ungraded group B children with  
27 disabilities and at least five, but under six, years of age by September 1  
28 attends more than three-quarters of the instructional time scheduled for the  
29 day.

30 (iii) Of the fourth, fifth or sixth grades or ungraded and at least  
31 nine, but under twelve, years of age by September 1 attends more than  
32 three-quarters of the instructional time scheduled for the day, except as  
33 provided in section 15-797.

34 (iv) Of the seventh or eighth grades or ungraded and at least twelve,  
35 but under fourteen, years of age by September 1 attends more than  
36 three-quarters of the instructional time scheduled for the day, except as  
37 provided in section 15-797.

38 (b) For common schools, the attendance of a pupil at three-quarters or  
39 less of the instructional time scheduled for the day shall be counted as  
40 follows, except as provided in section 15-797 and except that attendance for  
41 a fractional student shall not exceed the pupil's fractional membership:

42 (i) If attendance for all pupils in the school is based on quarter  
43 days, the attendance of a pupil shall be counted as one-fourth of a day's  
44 attendance for each one-fourth of full-time instructional time attended.

1 (ii) If attendance for all pupils in the school is based on half days,  
2 the attendance of at least three-quarters of the instructional time scheduled  
3 for the day shall be counted as a full day's attendance and attendance at a  
4 minimum of one-half but less than three-quarters of the instructional time  
5 scheduled for the day equals one-half day of attendance.

6 (c) For common schools, the attendance of a preschool child with  
7 disabilities shall be counted as one-fourth day's attendance for each  
8 thirty-six minutes of attendance not including lunch periods and recess  
9 periods, except as provided in paragraph 2, subdivision (a), item (i) of this  
10 subsection for children with disabilities up to a maximum of three hundred  
11 sixty minutes each week.

12 (d) For high schools or ungraded schools in which the pupil is at  
13 least fourteen years of age by September 1, the attendance of a pupil shall  
14 not be counted as a full day unless the pupil is actually and physically in  
15 attendance and enrolled in and carrying four subjects, each of which, if  
16 taught each school day for the minimum number of days required in a school  
17 year, would meet a minimum of one hundred twenty hours a year, or the  
18 equivalent, that count toward graduation in a recognized high school except  
19 as provided in section 15-797 and subdivision (e) of this paragraph.  
20 Attendance of a pupil carrying less than the load prescribed shall be  
21 prorated.

22 (e) For high schools or ungraded schools in which the pupil is at  
23 least fourteen years of age by September 1, the attendance of a pupil may be  
24 counted as one-fourth of a day's attendance for each sixty minutes of  
25 instructional time in a subject that counts toward graduation, except that  
26 attendance for a pupil shall not exceed the pupil's full or fractional  
27 membership.

28 (f) For homebound or hospitalized, a full day of attendance may be  
29 counted for each day during a week in which the student receives at least  
30 four hours of instruction.

31 (g) For school districts which maintain school for an approved  
32 year-round school year operation, attendance shall be based on a computation,  
33 as prescribed by the superintendent of public instruction, of the one hundred  
34 eighty days' equivalency or two hundred days' equivalency, as applicable, of  
35 instructional time as approved by the superintendent of public instruction  
36 during which each pupil is enrolled.

37 7. "Daily route mileage" means the sum of:

38 (a) The total number of miles driven daily by all buses of a school  
39 district while transporting eligible students from their residence to the  
40 school of attendance and from the school of attendance to their residence on  
41 scheduled routes approved by the superintendent of public instruction.

42 (b) The total number of miles driven daily on routes approved by the  
43 superintendent of public instruction for which a private party, a political  
44 subdivision or a common or a contract carrier is reimbursed for bringing an  
45 eligible student from the place of his residence to a school transportation

1 pickup point or to the school of attendance and from the school  
2 transportation scheduled return point or from the school of attendance to his  
3 residence. Daily route mileage includes the total number of miles necessary  
4 to drive to transport eligible students from and to their residence as  
5 provided in this paragraph.

6 8. "District support level" means the base support level plus the  
7 transportation support level.

8 9. "Eligible students" means:

9 (a) Students who are transported by or for a school district and who  
10 qualify as full-time students or fractional students, except students for  
11 whom transportation is paid by another school district or a county school  
12 superintendent, and:

13 (i) For common school students, whose place of actual residence within  
14 the school district is more than one mile from the school facility of  
15 attendance or students who are admitted pursuant to section 15-816.01 and who  
16 meet the economic eligibility requirements established under the national  
17 school lunch and child nutrition acts (42 United States Code sections 1751  
18 through 1785) for free or reduced price lunches and whose actual place of  
19 residence outside the school district boundaries is more than one mile from  
20 the school facility of attendance.

21 (ii) For high school students, whose place of actual residence within  
22 the school district is more than one and one-half miles from the school  
23 facility of attendance or students who are admitted pursuant to section  
24 15-816.01 and who meet the economic eligibility requirements established  
25 under the national school lunch and child nutrition acts (42 United States  
26 Code sections 1751 through 1785) for free or reduced price lunches and whose  
27 actual place of residence outside the school district boundaries is more than  
28 one and one-half miles from the school facility of attendance.

29 (b) Kindergarten students, for purposes of computing the number of  
30 eligible students under subdivision (a), item (i) of this paragraph, shall be  
31 counted as full-time students, notwithstanding any other provision of law.

32 (c) Children with disabilities, as defined by section 15-761, who are  
33 transported by or for the school district or who are admitted pursuant to  
34 chapter 8, article 1.1 of this title and who qualify as full-time students or  
35 fractional students regardless of location or residence within the school  
36 district or children with disabilities whose transportation is required by  
37 the pupil's individualized education program.

38 (d) Students whose residence is outside the school district and who  
39 are transported within the school district on the same basis as students who  
40 reside in the school district.

41 10. "Enrolled" or "enrollment" means when a pupil is currently  
42 registered in the school district.

43 11. "GDP price deflator" means the average of the four implicit price  
44 deflators for the gross domestic product reported by the United States  
45 department of commerce for the four quarters of the calendar year.



12. "High school district" means a political subdivision of this state offering instruction to students for grades nine through twelve or that portion of the budget of a common school district which is allocated to teaching high school subjects with permission of the state board of education.

13. "Revenue control limit" means the base revenue control limit plus the transportation revenue control limit.

14. "Student count" means average daily membership as prescribed in this subsection for the fiscal year prior to the current year, except that for the purpose of budget preparation student count means average daily membership as prescribed in this subsection for the current year.

15. "Submit electronically" means submitted in a format and in a manner prescribed by the department of education.

16. "Total bus mileage" means the total number of miles driven by all buses of a school district during the school year.

17. "Total students transported" means all eligible students transported from their place of residence to a school transportation pickup point or to the school of attendance and from the school of attendance or from the school transportation scheduled return point to their place of residence.

18. "Unified school district" means a political subdivision of the state offering instruction to students in programs for preschool children with disabilities and kindergarten programs and grades one through twelve.

B. In this title, unless the context otherwise requires:

1. "Base" means the revenue level per student count specified by the legislature.

2. "Base level" means:

(a) For fiscal year 2006-2007, three thousand one hundred thirty-three dollars fifty-three cents.

(b) For fiscal year 2007-2008, three thousand two hundred twenty-six dollars eighty-eight cents.

3. "Base revenue control limit" means the base revenue control limit computed as provided in section 15-944.

4. "Base support level" means the base support level as provided in section 15-943.

5. "Certified teacher" means a person who is certified as a teacher pursuant to the rules adopted by the state board of education, who renders direct and personal services to school children in the form of instruction related to the school district's educational course of study and who is paid from the maintenance and operation section of the budget.

6. "ED, MIMR, SLD, SLI and OHI" means programs for children with emotional disabilities, mild mental retardation, a specific learning disability, a speech/language impairment and other health impairments.

7. "ED-P" means programs for children with emotional disabilities who are enrolled in private special education programs as prescribed in section

1 15-765, subsection D, paragraph 1 or in an intensive school district program  
2 as provided in section 15-765, subsection D, paragraph 2.

3 8. "ELL" means English learners who do not speak English or whose  
4 native language is not English, who are not currently able to perform  
5 ordinary classroom work in English and who are enrolled in an English  
6 language education program pursuant to sections 15-751, 15-752 and 15-753.

7 9. "Full-time equivalent certified teacher" or "FTE certified teacher"  
8 means for a certified teacher the following:

9 (a) If employed full time as defined in section 15-501, 1.00.

10 (b) If employed less than full time, multiply 1.00 by the percentage  
11 of a full school day, or its equivalent, or a full class load, or its  
12 equivalent, for which the teacher is employed as determined by the governing  
13 board.

14 10. "Group A" means educational programs for career exploration, a  
15 specific learning disability, an emotional disability, mild mental  
16 retardation, remedial education, a speech/language impairment, homebound,  
17 bilingual, preschool moderate delay, preschool speech/language delay, other  
18 health impairments and gifted pupils.

19 11. "Group B" means educational improvements for pupils in kindergarten  
20 programs and grades one through three, educational programs for autism, a  
21 hearing impairment, moderate mental retardation, multiple disabilities,  
22 multiple disabilities with severe sensory impairment, orthopedic impairments,  
23 preschool severe delay, severe mental retardation and emotional disabilities  
24 for school age pupils enrolled in private special education programs or in  
25 school district programs for children with severe disabilities or visual  
26 impairment and English learners enrolled in a program to promote English  
27 language proficiency pursuant to section 15-752.

28 12. "HI" means programs for pupils with hearing impairment.

29 13. "Homebound" or "hospitalized" means a pupil who is capable of  
30 profiting from academic instruction but is unable to attend school due to  
31 illness, disease, accident or other health conditions, who has been examined  
32 by a competent medical doctor and who is certified by that doctor as being  
33 unable to attend regular classes for a period of not less than three school  
34 months or a pupil who is capable of profiting from academic instruction but  
35 is unable to attend school regularly due to chronic or acute health problems,  
36 who has been examined by a competent medical doctor and who is certified by  
37 that doctor as being unable to attend regular classes for intermittent  
38 periods of time totaling three school months during a school year. The  
39 medical certification shall state the general medical condition, such as  
40 illness, disease or chronic health condition, that is the reason that the  
41 pupil is unable to attend school. Homebound or hospitalized includes a  
42 student who is unable to attend school for a period of less than three months  
43 due to a pregnancy if a competent medical doctor, after an examination,  
44 certifies that the student is unable to attend regular classes due to risk to  
45 the pregnancy or to the student's health.

- 1       14. "K" means kindergarten programs.
- 2       15. "K-3" means kindergarten programs and grades one through three.
- 3       16. "MD-R, A-R and SMR-R" means resource programs for pupils with  
4 multiple disabilities, autism and severe mental retardation.
- 5       17. "MD-SC, A-SC and SMR-SC" means self-contained programs for pupils  
6 with multiple disabilities, autism and severe mental retardation.
- 7       18. "MDSSI" means a program for pupils with multiple disabilities with  
8 severe sensory impairment.
- 9       19. "MOMR" means programs for pupils with moderate mental retardation.
- 10      20. "OI-R" means a resource program for pupils with orthopedic  
11 impairments.
- 12      21. "OI-SC" means a self-contained program for pupils with orthopedic  
13 impairments.
- 14      22. "PSD" means preschool programs for children with disabilities as  
15 provided in section 15-771.
- 16      23. "P-SD" means programs for children who meet the definition of  
17 preschool severe delay as provided in section 15-771.
- 18      24. "Qualifying tax rate" means the qualifying tax rate specified in  
19 section 15-971 applied to the assessed valuation used for primary property  
20 taxes.
- 21      25. "Small isolated school district" means a school district which  
22 meets all of the following:
- 23          (a) Has a student count of fewer than six hundred in kindergarten  
24 programs and grades one through eight or grades nine through twelve.
- 25          (b) Contains no school which is fewer than thirty miles by the most  
26 reasonable route from another school, or, if road conditions and terrain make  
27 the driving slow or hazardous, fifteen miles from another school which  
28 teaches one or more of the same grades and is operated by another school  
29 district in this state.
- 30          (c) Is designated as a small isolated school district by the  
31 superintendent of public instruction.
- 32      26. "Small school district" means a school district which meets all of  
33 the following:
- 34          (a) Has a student count of fewer than six hundred in kindergarten  
35 programs and grades one through eight or grades nine through twelve.
- 36          (b) Contains at least one school which is fewer than thirty miles by  
37 the most reasonable route from another school which teaches one or more of  
38 the same grades and is operated by another school district in this state.
- 39          (c) Is designated as a small school district by the superintendent of  
40 public instruction.
- 41      27. "Transportation revenue control limit" means the transportation  
42 revenue control limit computed as prescribed in section 15-946.
- 43      28. "Transportation support level" means the support level for pupil  
44 transportation operating expenses as provided in section 15-945.
- 45      29. "VI" means programs for pupils with visual impairments.

1       30. "Voc. Ed." means career and technical education and vocational  
2 education programs, as defined in section 15-781.

3       Sec. 3. Section 15-2002, Arizona Revised Statutes, is amended to read:  
4       15-2002. Powers and duties; executive director; staffing;  
5       report

6       A. The school facilities board shall:

7       1. Make assessments of school facilities and equipment deficiencies  
8 and approve the distribution of grants as appropriate.

9       2. Develop a database for administering the building renewal formula  
10 prescribed in section 15-2031 and administer the distribution of monies to  
11 school districts for building renewal.

12       3. Inspect school buildings at least once every five years to ensure  
13 compliance with the building adequacy standards prescribed in section 15-2011  
14 and routine preventative maintenance guidelines as prescribed in this section  
15 with respect to construction of new buildings and maintenance of existing  
16 buildings. The school facilities board shall randomly select twenty school  
17 districts every thirty months and inspect them pursuant to this paragraph.

18       4. Review and approve student population projections submitted by  
19 school districts to determine to what extent school districts are entitled to  
20 monies to construct new facilities pursuant to section 15-2041. The board  
21 shall make a final determination within six months of the receipt of an  
22 application by a school district for monies from the new school facilities  
23 fund.

24       5. Certify that plans for new school facilities meet the building  
25 adequacy standards prescribed in section 15-2011.

26       6. Develop prototypical elementary and high school designs. The board  
27 shall review the design differences between the schools with the highest  
28 academic productivity scores and the schools with the lowest academic  
29 productivity scores. The board shall also review the results of a valid and  
30 reliable survey of parent quality rating in the highest performing schools  
31 and the lowest performing schools in this state. The survey of parent  
32 quality rating shall be administered by the department of education. The  
33 board shall consider the design elements of the schools with the highest  
34 academic productivity scores and parent quality ratings in the development of  
35 elementary and high school designs. The board shall develop separate school  
36 designs for elementary, middle and high schools with varying pupil  
37 capacities.

38       7. Develop application forms, reporting forms and procedures to carry  
39 out the requirements of this article.

40       8. Review and approve or reject requests submitted by school districts  
41 to take actions pursuant to section 15-341, subsection ~~F~~ G.

42       9. Submit an annual report by December 15 to the speaker of the house  
43 of representatives, the president of the senate, the superintendent of public  
44 instruction, the director of the Arizona state library, archives and public  
45 records and the governor that includes the following information:

1 (a) A detailed description of the amount of monies distributed by the  
2 school facilities board in the previous fiscal year.

3 (b) A list of each capital project that received monies from the  
4 school facilities board during the previous fiscal year, a brief description  
5 of each project that was funded and a summary of the board's reasons for the  
6 distribution of monies for the project.

7 (c) A summary of the findings and conclusions of the building  
8 maintenance inspections conducted pursuant to this article during the  
9 previous fiscal year.

10 (d) A summary of the findings of common design elements and  
11 characteristics of the highest performing schools and the lowest performing  
12 schools based on academic productivity including the results of the parent  
13 quality rating survey. For the purposes of this subdivision, "academic  
14 productivity" means academic year advancement per calendar year as measured  
15 with student-level data using the statewide nationally standardized  
16 norm-referenced achievement test.

17 10. By December 1 of each year, report to the joint committee on  
18 capital review the amounts necessary to fulfill the requirements of sections  
19 15-2022, 15-2031 and 15-2041 for the following fiscal year and the estimated  
20 amounts necessary to fulfill the requirements of sections 15-2022, 15-2031  
21 and 15-2041 for the fiscal year following the next fiscal year. The board  
22 shall provide copies of the report to the president of the senate, the  
23 speaker of the house of representatives and the governor.

24 11. Adopt minimum school facility adequacy guidelines to provide the  
25 minimum quality and quantity of school buildings and the facilities and  
26 equipment necessary and appropriate to enable pupils to achieve the  
27 educational goals of the Arizona state schools for the deaf and the blind.  
28 The school facilities board shall establish minimum school facility adequacy  
29 guidelines applicable to the Arizona state schools for the deaf and the  
30 blind.

31 12. In each even-numbered year, report to the joint committee on  
32 capital review the amounts necessary to fulfill the requirements of sections  
33 15-2031 and 15-2041 for the Arizona state schools for the deaf and the blind  
34 for the following two fiscal years. The Arizona state schools for the deaf  
35 and the blind shall incorporate the findings of the report in any request for  
36 building renewal monies and new school facilities monies. Any monies  
37 provided to the Arizona state schools for the deaf and the blind for building  
38 renewal and for new school facilities are subject to legislative  
39 appropriation.

40 13. By June 15 of each year, submit detailed information regarding  
41 demographic assumptions, a proposed construction schedule and new school  
42 construction cost estimates for individual projects approved in the current  
43 fiscal year and expected project approvals for the upcoming fiscal year to  
44 the joint committee on capital review for its review. A copy of the report  
45 shall also be submitted to the governor's office of strategic planning and

1 budgeting. The joint legislative budget committee staff, the governor's  
2 office of strategic planning and budgeting staff and the school facilities  
3 board staff shall agree on the format of the report.

4 14. Every two years, provide school districts with information on  
5 improving and maintaining the indoor environmental quality in school  
6 buildings.

7 B. The school facilities board may contract for private services in  
8 compliance with the procurement practices prescribed in title 41, chapter 23.

9 C. The governor shall appoint an executive director of the school  
10 facilities board pursuant to section 38-211. The executive director is  
11 eligible to receive compensation as determined pursuant to section 38-611 and  
12 may hire and fire necessary staff as approved by the legislature in the  
13 budget. The executive director shall have demonstrated competency in school  
14 finance, facilities design or facilities management, either in private  
15 business or government service. The executive director serves at the  
16 pleasure of the governor. The staff of the school facilities board is exempt  
17 from title 41, chapter 4, articles 5 and 6. The executive director:

18 1. Shall analyze applications for monies submitted to the board by  
19 school districts.

20 2. Shall assist the board in developing forms and procedures for the  
21 distribution and review of applications and the distribution of monies to  
22 school districts.

23 3. May review or audit, or both, the expenditure of monies by a school  
24 district for deficiencies corrections, building renewal and new school  
25 facilities.

26 4. Shall assist the board in the preparation of the board's annual  
27 report.

28 5. Shall research and provide reports on issues of general interest to  
29 the board.

30 6. May aid school districts in the development of reasonable and  
31 cost-effective school designs in order to avoid statewide duplicated efforts  
32 and unwarranted expenditures in the area of school design.

33 7. May assist school districts in facilitating the development of  
34 multijurisdictional facilities.

35 8. Shall assist the board in any other appropriate matter or method as  
36 directed by the members of the board.

37 9. Shall establish procedures to ensure compliance with the notice and  
38 hearing requirements prescribed in section 15-905. The notice and hearing  
39 procedures adopted by the board shall include the requirement, with respect  
40 to the board's consideration of any application filed after July 1, 2001 or  
41 after December 31 of the year in which the property becomes territory in the  
42 vicinity of a military airport or ancillary military facility as defined in  
43 section 28-8461 for monies to fund the construction of new school facilities  
44 proposed to be located in territory in the vicinity of a military airport or  
45 ancillary military facility, that the military airport receive notification

1 of the application by first class mail at least thirty days before any  
2 hearing concerning the application.

3 10. May expedite any request for monies in which the local match was  
4 not obtained for a project that received preliminary approval by the state  
5 board for school capital facilities.

6 11. Shall expedite any request for monies in which the school district  
7 governing board submits an application that shows an immediate need for a new  
8 school facility.

9 12. Shall make a determination as to administrative completion within  
10 one month after the receipt of an application by a school district for monies  
11 from the new school facilities fund.

12 13. Shall provide technical support to school districts as requested by  
13 school districts in connection with the construction of new school facilities  
14 and the maintenance of existing school facilities.

15 D. When appropriate, the school facilities board shall review and use  
16 the statewide school facilities inventory and needs assessment conducted by  
17 the joint committee on capital review and issued in July, 1995.

18 E. The school facilities board shall contract with one or more private  
19 building inspectors to complete an initial assessment of school facilities  
20 and equipment and shall inspect each school building in this state at least  
21 once every five years to ensure compliance with section 15-2011. A copy of  
22 the inspection report, together with any recommendations for building  
23 maintenance, shall be provided to the school facilities board and the  
24 governing board of the school district.

25 F. The school facilities board may consider appropriate combinations  
26 of facilities or uses in making assessments of and curing deficiencies  
27 pursuant to subsection A, paragraph 1 of this section and in certifying plans  
28 for new school facilities pursuant to subsection A, paragraph 5 of this  
29 section.

30 G. The board shall not award any monies to fund new facilities that  
31 are financed by class A bonds that are issued by the school district.

32 H. The board shall not distribute monies to a school district for  
33 replacement or repair of facilities if the costs associated with the  
34 replacement or repair are covered by insurance or a performance or payment  
35 bond.

36 I. The board may contract for construction services and materials that  
37 are necessary to correct existing deficiencies in school district facilities.  
38 The board may procure the construction services necessary pursuant to this  
39 subsection by any method including construction-manager-at-risk,  
40 design-build, design-bid-build or job-order-contracting as provided by title  
41 41, chapter 23. The construction planning and services performed pursuant to  
42 this subsection are exempt from section 41-791.01.

43 J. The school facilities board may enter into agreements with school  
44 districts to allow school facilities board staff and contractors access to

1 school property for the purposes of performing the construction services  
2 necessary pursuant to subsection I of this section.

3 K. Each school district shall develop routine preventative maintenance  
4 guidelines for its facilities. The guidelines shall be submitted to the  
5 school facilities board for review and approval. If upon inspection by the  
6 school facilities board it is determined that a school district facility was  
7 inadequately maintained pursuant to the school district's routine  
8 preventative maintenance guidelines, the school district shall use building  
9 renewal monies pursuant to section 15-2031, subsection L to return the  
10 building to compliance with the school district's routine preventative  
11 maintenance guidelines. Once the district is in compliance, it no longer is  
12 required to use building renewal monies for preventative maintenance.

13 L. The school facilities board may temporarily transfer monies between  
14 the capital reserve fund established by section 15-2003, the emergency  
15 deficiencies correction fund established by section 15-2022, the building  
16 renewal fund established by section 15-2031 and the new school facilities  
17 fund established by section 15-2041 if all of the following conditions are  
18 met:

19 1. The transfer is necessary to avoid a temporary shortfall in the  
20 fund into which the monies are transferred.

21 2. The transferred monies are restored to the fund where the monies  
22 originated as soon as practicable after the temporary shortfall in the other  
23 fund has been addressed.

24 3. The school facilities board reports to the joint committee on  
25 capital review the amount of and the reason for any monies transferred.

26 M. THE SCHOOL FACILITIES BOARD SHALL NOT REQUIRE A COMMON SCHOOL  
27 DISTRICT THAT PROVIDES INSTRUCTION TO PUPILS IN GRADE NINE TO OBTAIN APPROVAL  
28 FROM THE SCHOOL FACILITIES BOARD TO RECONFIGURE SCHOOL FACILITIES IN THE  
29 SCHOOL DISTRICT. A COMMON SCHOOL DISTRICT THAT PROVIDES INSTRUCTION TO  
30 PUPILS IN GRADE NINE IS NOT ENTITLED TO ADDITIONAL MONIES FROM THE SCHOOL  
31 FACILITIES BOARD FOR FACILITIES TO EDUCATE PUPILS IN GRADE NINE.